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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

**Application No.**

09/903,390

**Applicant(s)**

FURBUSH ET AL.

**Examiner**

Narayanswamy Subramanian

**Art Unit**

3691

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 19 October 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This office action is in response to applicants' communication filed on October 19, 2007. Amendments to claims 1, 2, 4, 5, 10, 12-15 and 18-20 have been entered. Claims 1-21 are currently pending and have been examined. The rejections, objections and response to arguments are stated below.

#### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

3. Claims 1-21 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Independent claims 1, 12 and 17 recite the limitation "An electronic market system for trading of securities", "A computer implemented method for trading securities" and "A computer program product residing on a computer readable media for trading securities in an electronic market" respectively. However it is not clear at what step trading securities takes place or what means in these claims result in trading securities. Hence the scope of the claims is difficult to ascertain. Appropriate clarification/correction is required. The dependent claims are rejected by way of dependency on a rejected independent claim.

Claims 1-11 are also rejected because it is not clear as to what which statutory class it belongs. Claim 1 starts off by reciting an element of an apparatus ("a client computer station for entering a directed order") and then recites the steps of a method ("a server computer system

receiving the directed order, the server system delivering the order”). A single claim covering both an apparatus and a method of use of that apparatus is not sufficiently precise to provide competitors with an accurate determination of the metes and bounds of protection involved. This ambiguity renders the scope of the claim indeterminate. A claim is considered indefinite if it does not apprise those skilled in the art of its scope. *Amgen, Inc. v. Chugai Pharm. Co.*, 927 F. 2d 1200, 1217 (Fed. Cir. 1991). Appropriate correction is required. Similar defects are present in other dependent claims, for example claims 2 and 3. Applicants are respectfully requested to correct these defects in response to this office action. The dependent claims are rejected by way of dependency on a rejected independent claim.

Claims 1-21 recite the limitation “a liability order” and “non-liability order”. Also it is not clear what the applicants mean by these limitations. It is also not clear how these are determined making the scope of the claims difficult to ascertain.

Claims 9-10, 14-15 and 19-20 recite “at least one normal unit of trading in excess of an attributable quote/order”. It is not clear what the applicants mean by “attributable quote/order” and “at least one normal unit of trading in excess of an attributable quote/order”. Appropriate clarification/correction is required.

Claims 1-21 are also rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential elements, such omission amounting to a gap between the elements. See MPEP § 2172.01. These claims recite “entering receiving directed order” and “delivering the order, as a liability or non-liability order”. The omitted elements are the elements relating a directed order to a liability or non-liability order. Appropriate correction is required

Claims 1-11 are also rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential elements, such omission amounting to a gap between the elements. See MPEP § 2172.01. The omitted elements are: These claims recite “a client computer station” and “a server computer system”. However it is not clear how these two elements are structurally related to make the system operable. Appropriate clarification/correction is required. The dependent claims are rejected by way of dependency on a rejected independent claim.

***Claim Rejections - 35 USC § 101***

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1-21 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a “new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof”.

Claims 1-21 are drawn to “a system, a method and a computer program product for trading of securities the system comprising: a client computer station for entering a directed order to begin a negotiation process with a selected quoting market participant; a server computer system receiving the directed order, the-server system delivering the order, as a liability or non-liability order in accordance with how the selected quoting market participant chooses to receive directed orders”. As such the claimed invention is directed to a judicial

exception to 35 U.S.C. 101 (i.e., an abstract idea, natural phenomenon, or law of nature) and is not directed to a practical application of such judicial exception because the claims do not require any physical transformation and the invention as claimed does not produce a useful, concrete, and tangible result.

The Court of Appeals for the Federal Circuit issued opinions in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998) and *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447 (Fed. Cir. 1999). These decisions explained that, to be eligible for patent protection, the claimed invention as a whole must accomplish a practical application. That is, it must produce a “useful, concrete and tangible result.” *State Street*, 149 F.3d at 1373-74, 47 USPQ2d at 1601 02. To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways: (a) The claimed invention “transforms” an article or physical object to a different state or thing. (b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

The USPTO’s official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. See MPEP § 2107. The claimed invention does not meet this requirement. The last step of delivering the order does not imply trading and hence the utility is not specific, substantial and credible

The tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101 judicial exception to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had “no substantial practical application”). It is not clear as to

what real world result is produced by implementing the claimed invention. The last step of delivering the order does not imply trading.

For an invention to produce a “concrete” result, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. In re Swartz, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result produced by the claimed invention is “irreproducible” claim should be rejected under section 101). The opposite of “concrete” is unrepeatable or unpredictable. The steps of the claimed invention are not clear and specific enough to guarantee that the same results will be produced for a given set of inputs. The limitation “in accordance with how the selected quoting market participant chooses to receive directed orders” is not clear and specific enough to guarantee that the same results will be produced for a given set of inputs. It is not clear as to what is the concrete result of the claimed invention. In view of the ambiguities identified in the 35 USC 112, second paragraph rejections above, it is not clear if the results of the claimed invention are repeatable or predictable.

There is no useful, tangible and concrete result produced from implementing the steps of the claimed invention. The dependent claims are rejected for the same reason and by way of dependency on a rejected independent claim.

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made

to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7. Claims 1-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over NASD Rulemaking Reference (Reference AV in IDS of October 19, 2007)

Claims 1, 12 and 17, discloses a method for trading of securities comprising receiving by a computer system a directed order to begin a negotiation process with a particular quoting market participant (See Reference AV Pages 10-11); and delivering by the computer system the order, as liability or non-liability order in accordance with how the quoting market participant chooses to receive directed orders (See Reference AV Pages 12-43). The limitation “to begin a negotiation process with a particular quoting market participant” is interpreted as an intended use limitation. A system for trading of securities with a client computer station for entering a directed order and a server computer system for receiving the directed order, the-server system delivering the order and a computer program product for trading of securities by performing the steps of the claimed method are implied by the disclosure. In the alternative, system for trading of securities with a client computer station for entering an order and a server computer system for receiving and delivering the order and a computer program product for trading of securities by performing the steps of the claimed method are old and well known in the electronic trading of securities.

Claim 4, the feature of system of claim 1 further comprising a second client station for entering non-directed orders that are orders for a security that are not sent/routed to a particular quoting market participant is implied by the disclosure of Reference AV. In the alternative this feature is old and well known in the electronic trading environment. Having a second client



station for entering non-directed order makes the process of entering orders easier and more efficient.

Claims 2-3, 5-11, 13-16, and 18-21, the features in these claims are taught by the disclosure of Reference AV.

***Response to Arguments***

8. Applicant's arguments filed by the Applicants have been fully considered but they are not persuasive.

***Conclusion***

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure are included on the enclosed PTO-892.

10. Applicant's amendment and the IDS filed after the last office action mailed on July 10, 2007 necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached at (571) 272-6771. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Narayanswamy Subramanian/  
Primary Examiner  
Art Unit 3691

March 3, 2008